

# Half year results 2012

## Debt investor update

August 2012

**Leading the way**  
in Asia, Africa and the Middle East



# Forward looking statements

This document contains or incorporates by reference ‘forward-looking statements’ regarding the belief or expectations of the Company, the Directors and other members of its senior management about the Group’s strategy, businesses, performance and the matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. Forward-looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks, factors and uncertainties include but are not limited to: changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion and engaging in acquisitions; global macroeconomic risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with banking and financial services legislation, regulations policies and guidelines; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and other financial institutions or corporate borrowers; cross-border country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Company and should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Company and/or the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

# Who we are

**Our branches and operations are in all the major centres in the world's key trade corridors. We have a heritage as deep as a local bank but with the international connections of a global bank**

- Around 90% of profit from Asia, Africa and the Middle East
- Over 150 year history
- Present in 70 markets
- Top 20 in the FTSE 100 by market capitalisation
- Total Assets US\$624bn<sup>1</sup>
- Over 1,700 branches and offices<sup>1</sup>
- Over 86,000 employees<sup>2</sup>
- Credit Ratings AA- / AA- / A1 (Fitch / S&P / Moody's respectively)
- Listed in London, Hong Kong and Mumbai
- Lead regulated by the UK Financial Services Authority



Notes: <sup>1</sup> As at 30 June 2012

<sup>2</sup> As at 31 December 2011

# Where we operate

## GDP growth

~ 2010 2011 2012F 2013F 2014F 2015F 2016F 2017F

Source: IMF, July 2012

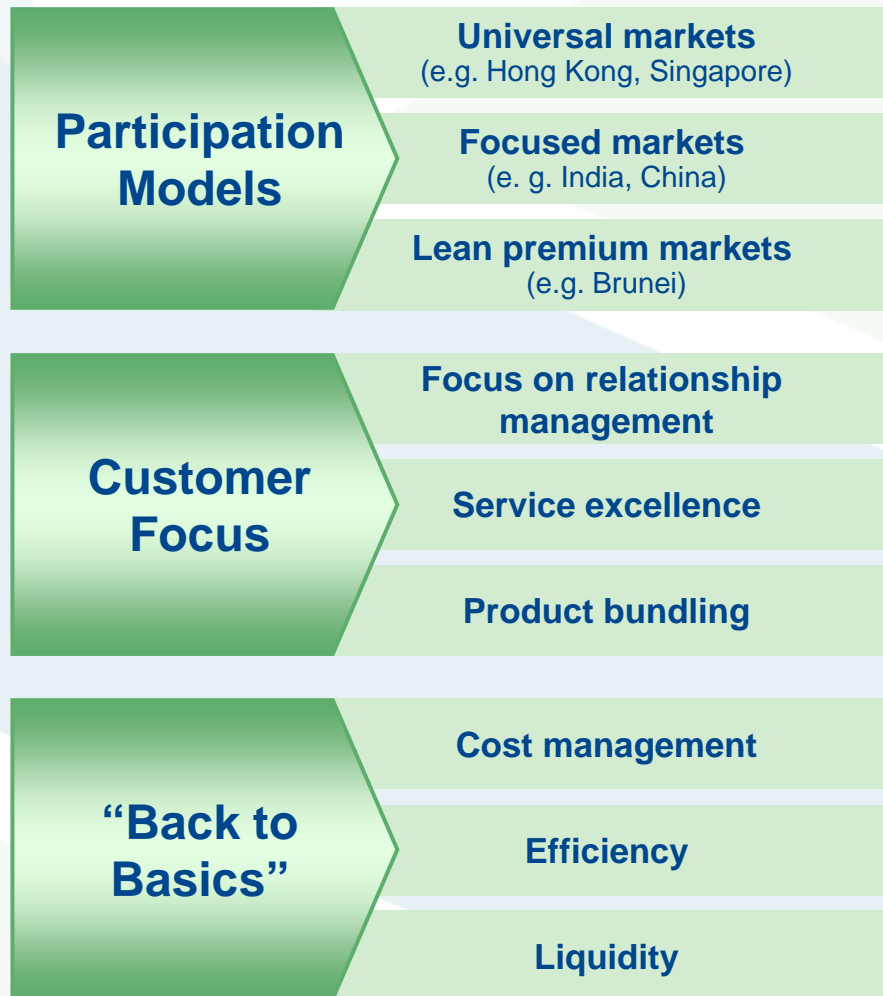
## The growing share of the emerging economies

~ 1981 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011

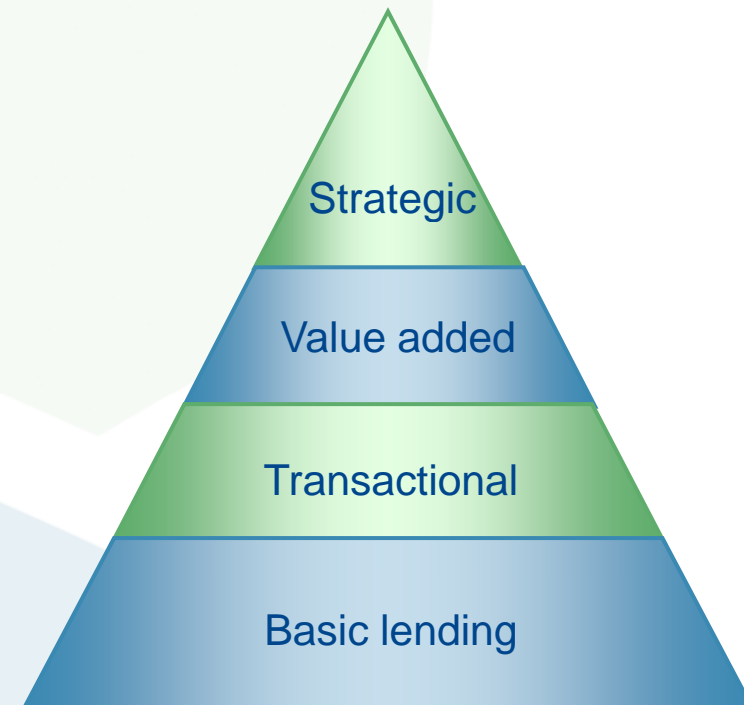
Sources: Standard Chartered Research, Global Focus - 2012

# Our business strategies

## Consumer Banking strategy

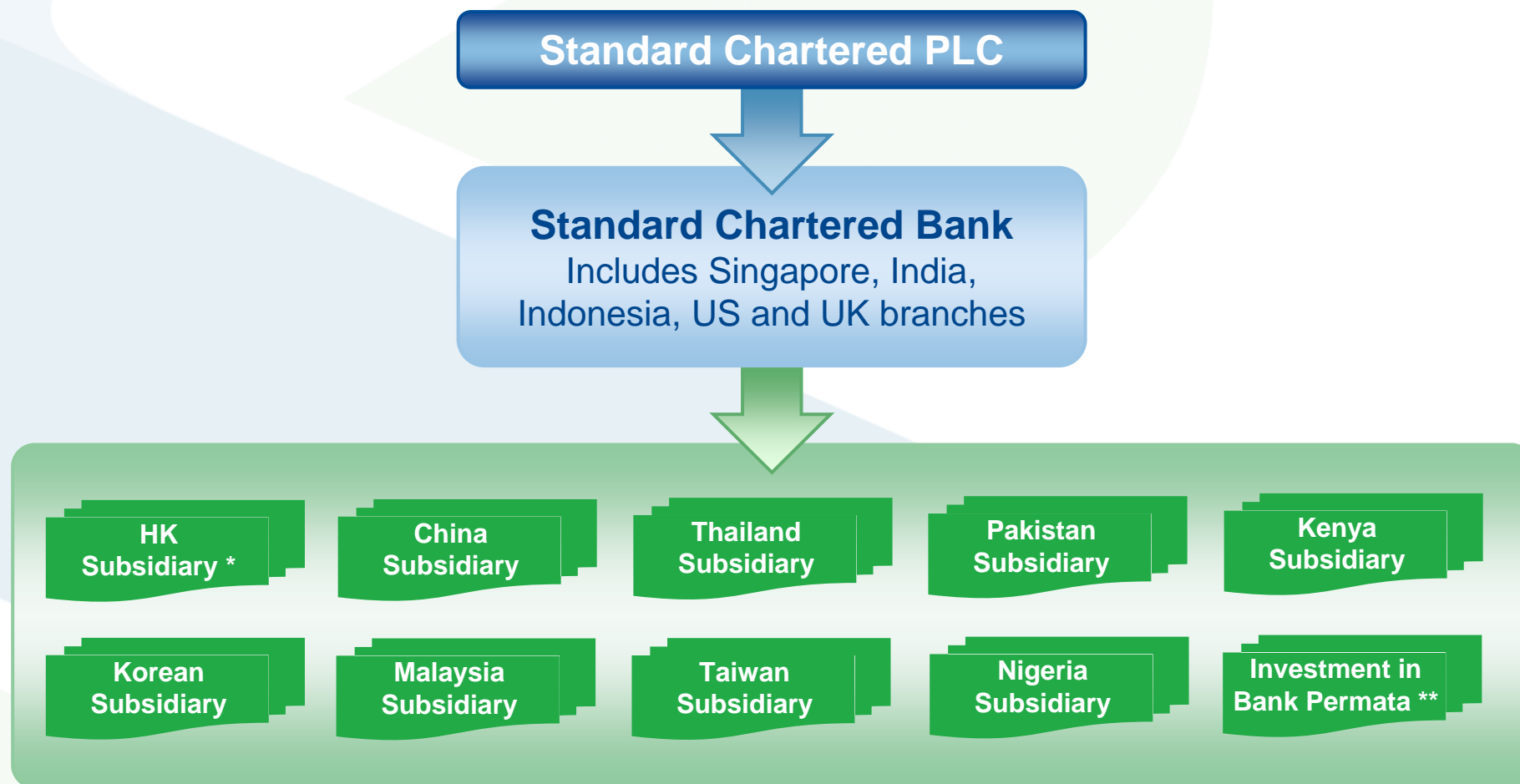


## Wholesale Banking strategy



- Deep ‘core bank’ client relationships
- Local scale and cross-border capabilities
- Balance sheet management

## Simplified Structure of the Group















































Notes: Group structure correct as at 31 July 2012

\* HK Subsidiary [Standard Chartered Bank (Hong Kong) Ltd] is 51% owned by Standard Chartered Bank and 49% owned by Standard Chartered Holdings Ltd an intermediate holding company that sits directly between Standard Chartered PLC and Standard Chartered Bank

\*\* 44.5% investment in Bank Permata which is proportionally consolidated in the accounts

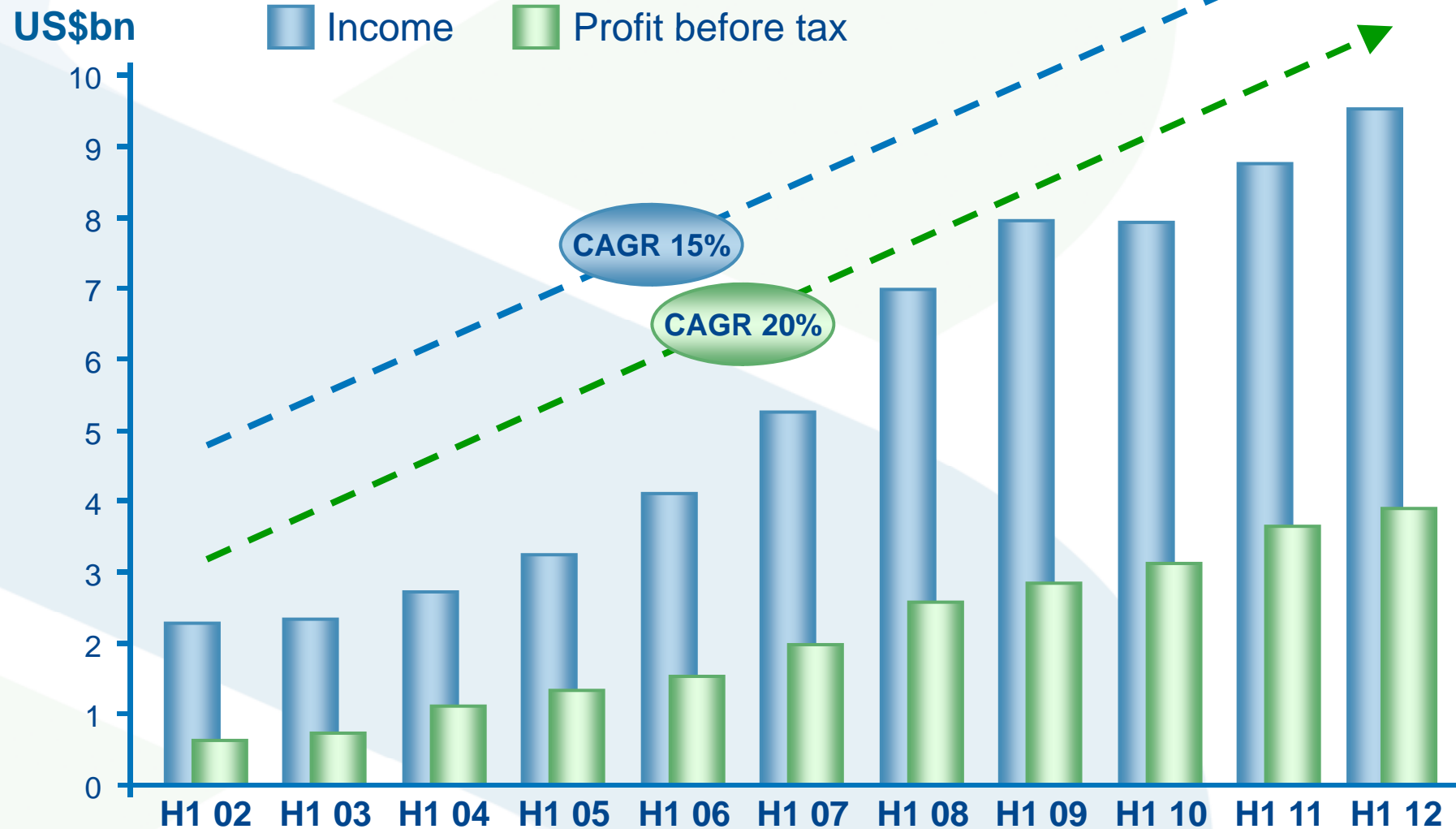
# Our ratings demonstrate exceptional performance

	Jun-08	Current		
	Fitch/Moody's/S&P	Fitch	Moody's	S&P
Standard Chartered Bank	A+/A2/A+	AA- 	A1 	AA- 
Bank of America NA	AA/Aaa/AA	A 	A3 	A 
Barclays Bank Plc	AA/Aa1/AA	A 	A2 	A+ 
Citibank NA	AA-/Aa1/AA	A 	A3 	A 
Credit Agricole SA	AA/Aa1/AA-	A+ 	A2 	A 
Deutsche Bank AG	AA-/Aa1/AA	A+ 	A2 	A+ 
Goldman Sachs Group Inc	AA-/Aa3/AA-	A 	A3 	A- 
HSBC Bank Plc	AA/Aa1/AA	AA	Aa3 	AA- 
JP Morgan Chase Bank NA	AA-/Aaa/AA	A+ 	Aa3 	A+ 
Lloyds TSB Plc	AA+/Aaa/AA	A 	A2 	A 
Royal Bank of Scotland Plc	AA/Aaa/AA	A 	A3 	A 
Societe Generale	AA-/Aa2/AA-	A+ 	A2 	A 
UBS AG	AA-/Aa1/AA-	A 	A2 	A 

Notches of Rating Upgrades / Downgrades:       

Notes: Ratings correct as at 31 July 2012

# Consistent delivery






# H1 2012 performance

## Highlights

Income US\$9.5bn  9%

Consumer Banking US\$3.5bn  5%

Wholesale Banking US\$6.0bn  10%

Pre-impairment profit US\$4.5bn  11%

Profit before tax US\$3.9bn  9%

CCPL\* 13%

Wealth Management (3%)

Deposits 14%

Mortgages and Auto (13%)

Lending & Portfolio Mgt. 3%

Transaction Banking 19%

Financial Markets 2%

ALM 14%

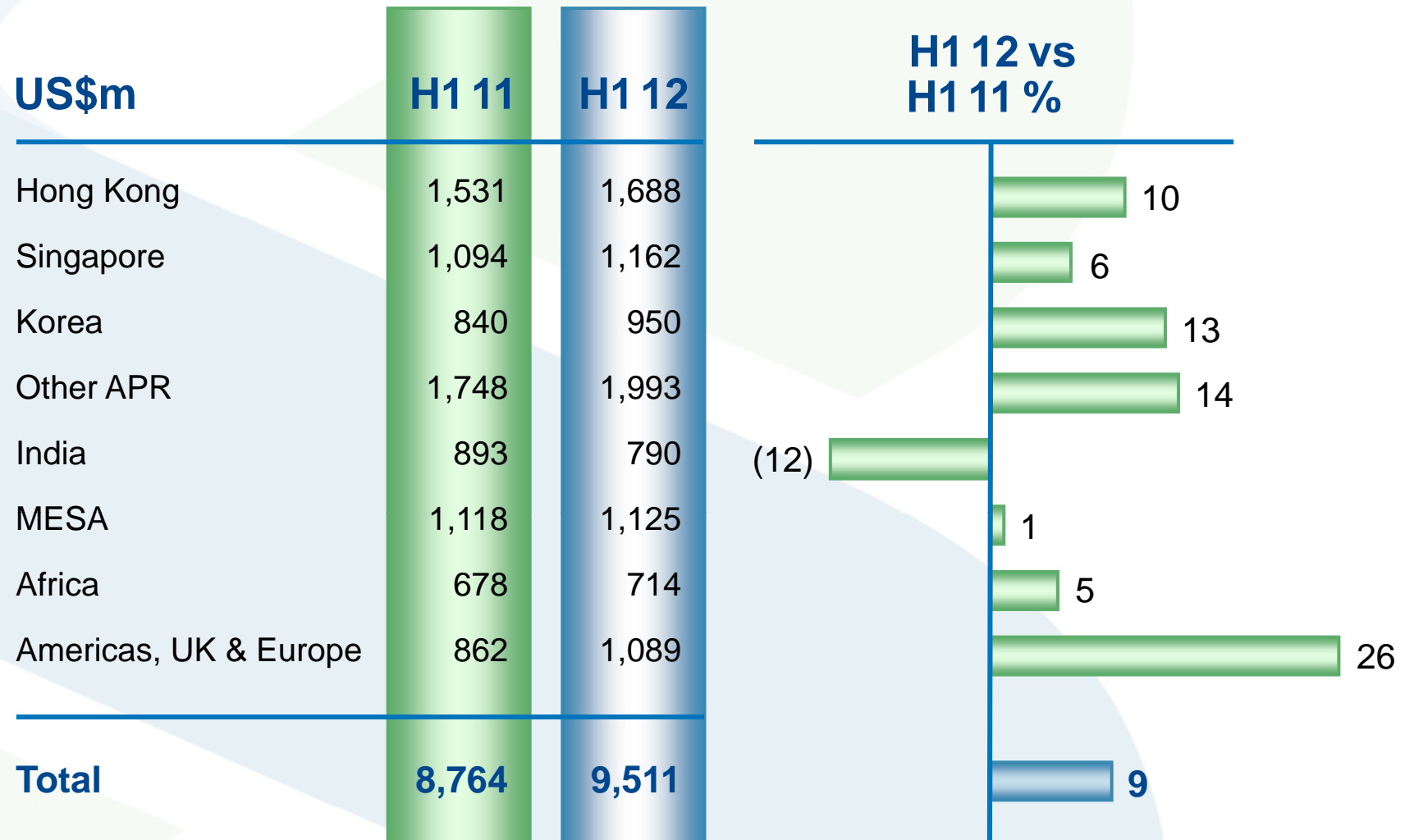
Corporate Finance 9%

Principal Finance 59%

Notes: All percentages are H1 2012 on H1 2011 unless stated otherwise

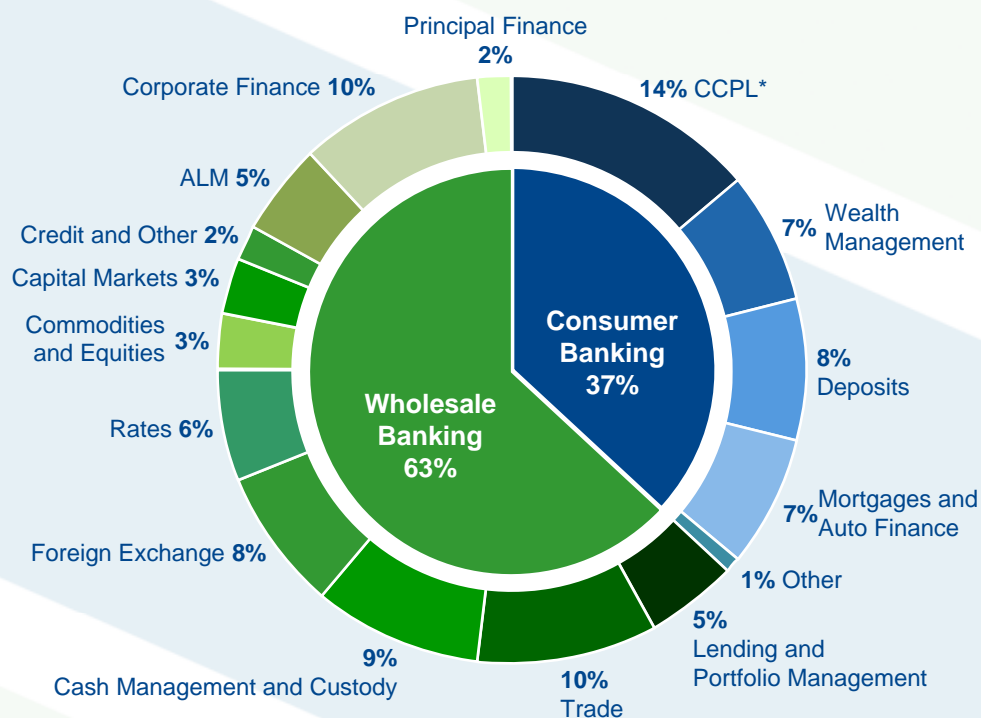
\* Cards, Personal Loans and Unsecured Lending

# H1 2012 income performance by geography

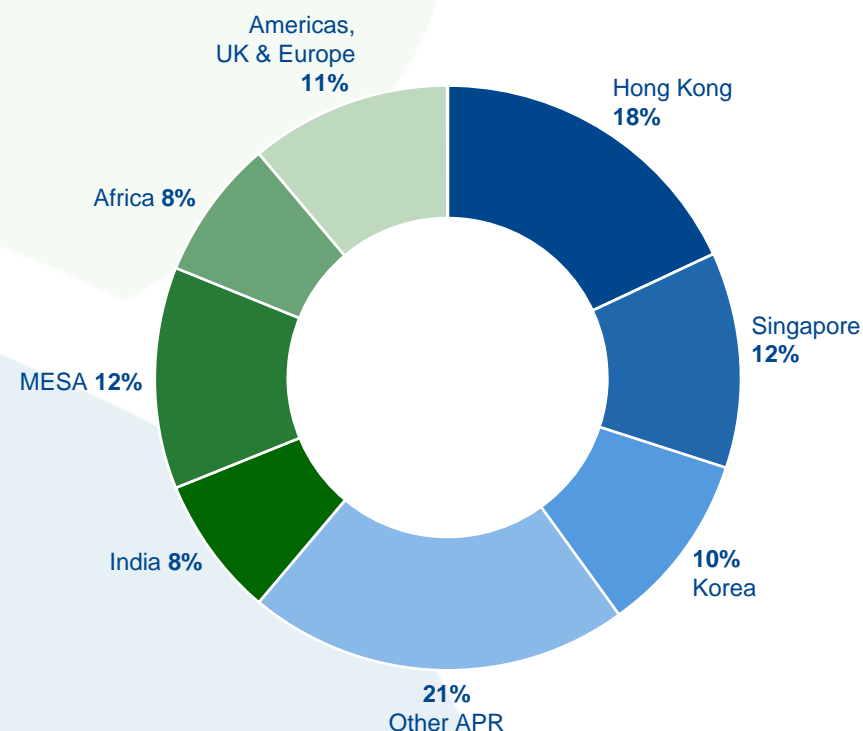


# Diversity a differentiator

## Operating income by product



## Operating income by geography†



† As at 30 June 2012

Cards, Personal Loans and Unsecured Lending

## Basics of banking

### Risk Mgmt

- Conservative and diverse balance sheet
- Consumer Banking portfolio is highly secured
- Wholesale Banking portfolio has a short contractual maturity

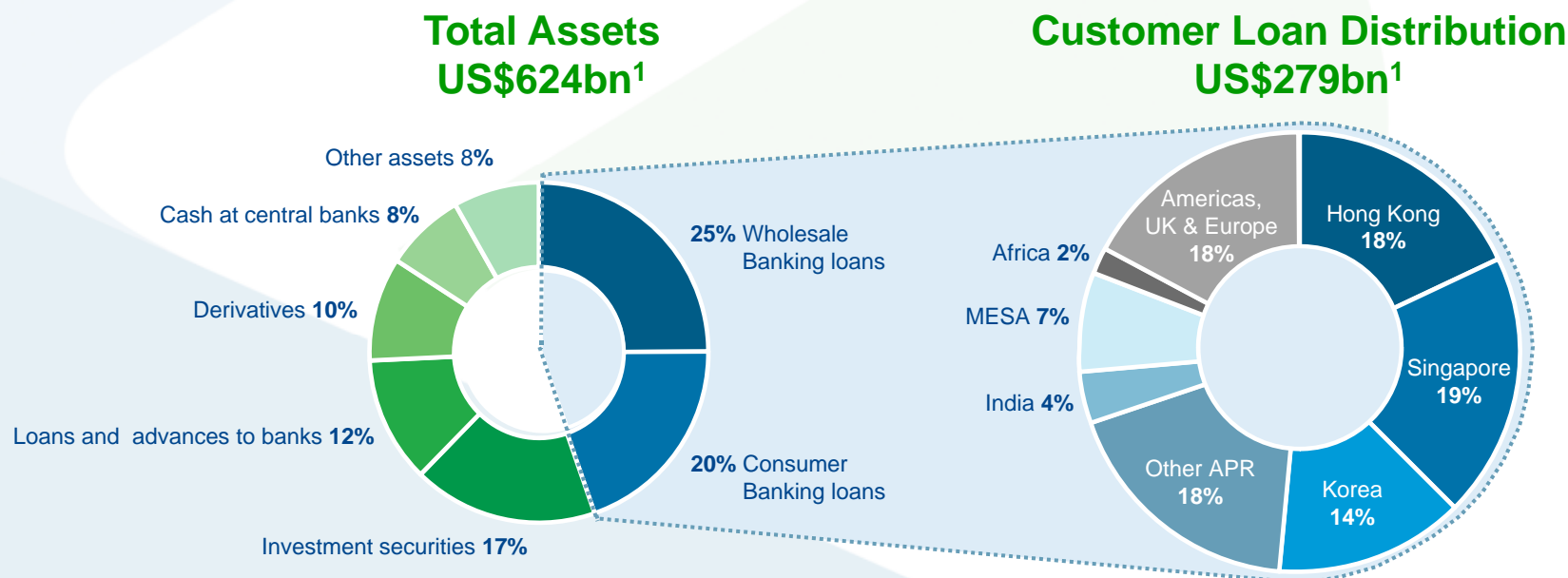
### Liquidity

- Strong A/D ratio consistently below 100%
- Consistently strong liquid asset ratio
- Balance sheet built on customer deposits
- Focus on management through the geographic lens

### Capital

- Well capitalised at a Core Tier 1, Tier 1 and Total Capital level
- Equity generation throughout the crisis
- Basel III impact expected to be around 100 bps

# A well diversified and conservative balance sheet



## Low level of NPLs<sup>2</sup> and very low level of encumbered assets<sup>3</sup>

### Consumer Banking

- Average LTV on mortgage book - 48%<sup>1</sup>
- 82%<sup>1</sup> of book is secured or partially secured

### Wholesale Banking

- 63%<sup>1</sup> of loans have a maturity of less than 1 year
- No direct sovereign exposure to GIIPS<sup>4</sup>
- Limited exposure to problem asset classes

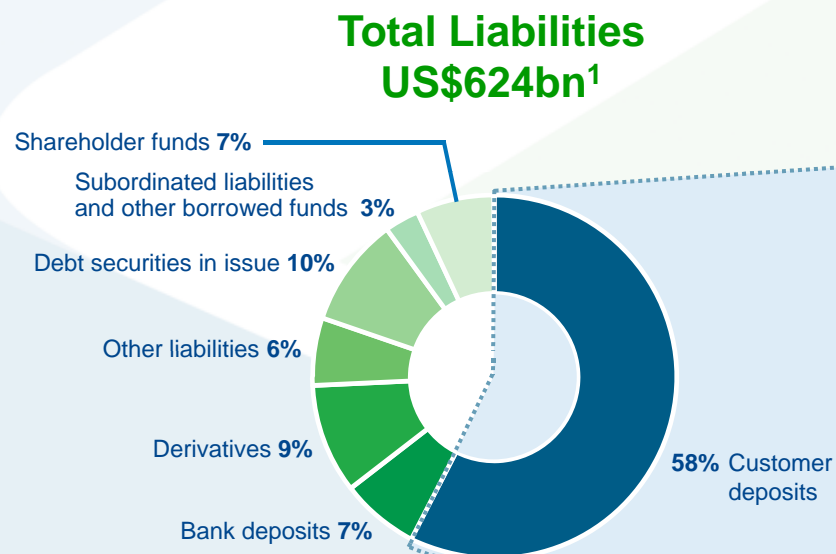
<sup>1</sup> As at 30 June 2012

<sup>2</sup> 1.9% of total customer loans

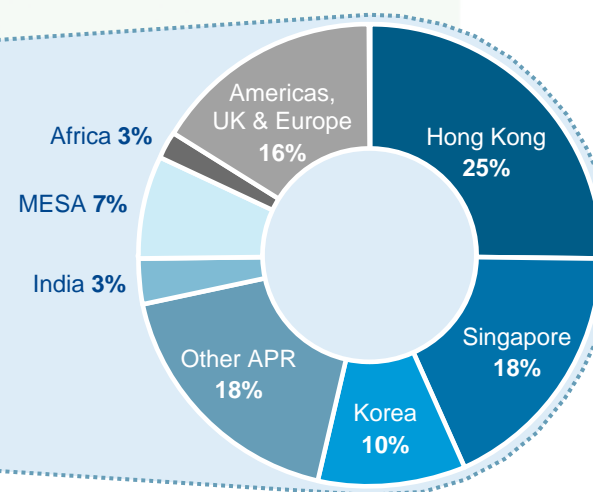
<sup>3</sup> less than 3% of total assets

<sup>4</sup> Greece, Ireland, Italy, Portugal and Spain

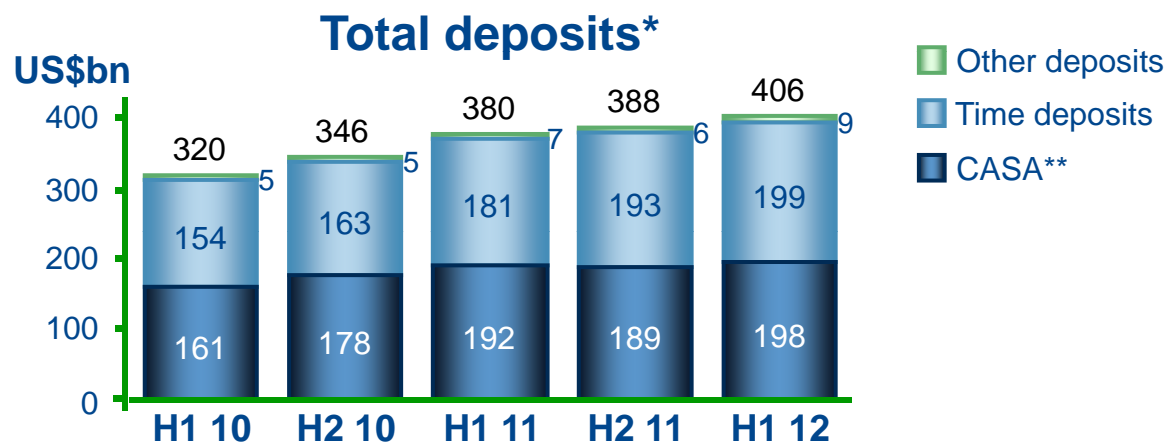
# Strong and diverse funding base...



## Customer Deposits US\$360bn<sup>1</sup>



**Current and Savings Accounts (CASA) are an important part of the Group's total deposit base**



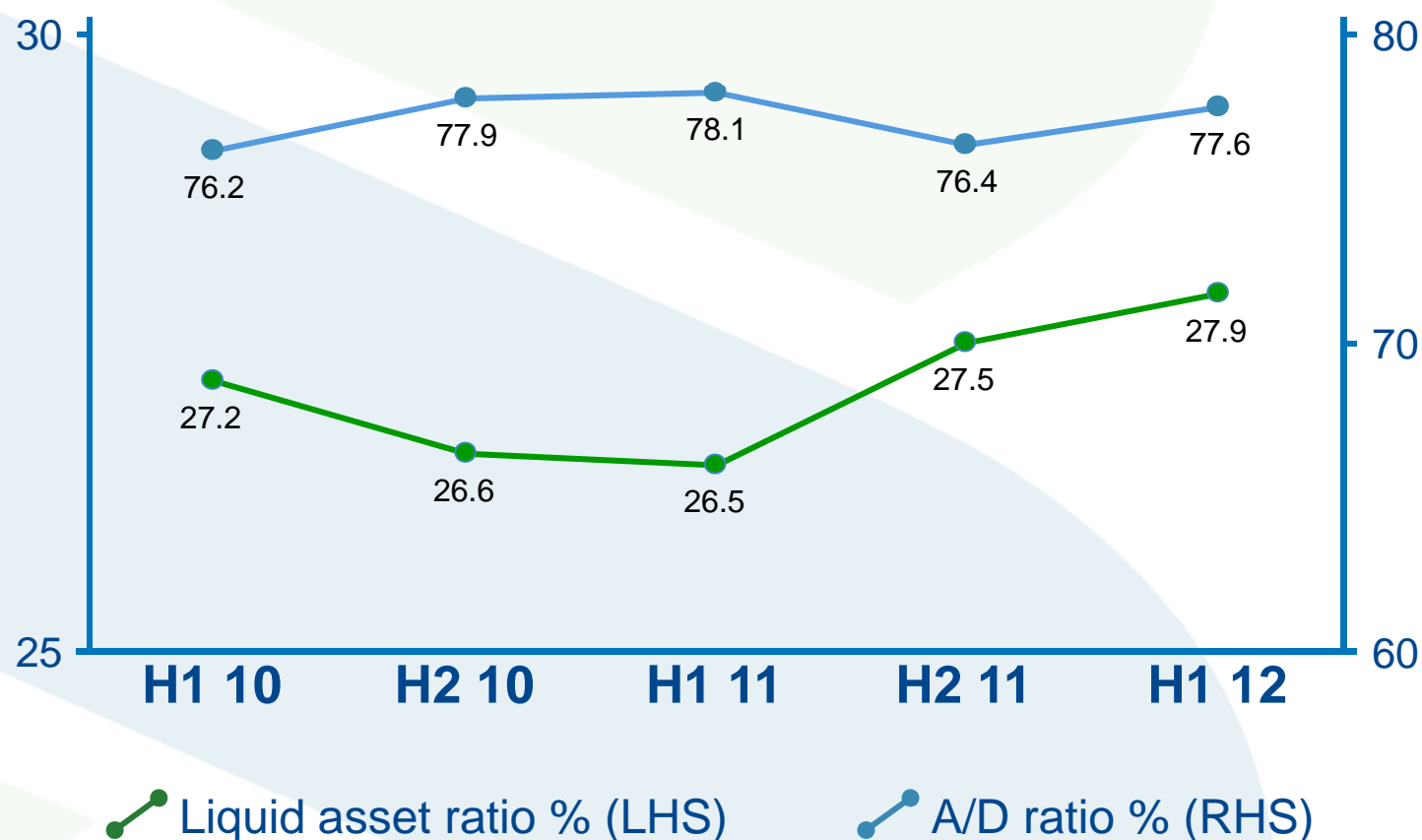
<sup>1</sup>As at 30 June 2012

\* Total deposits includes deposits by banks

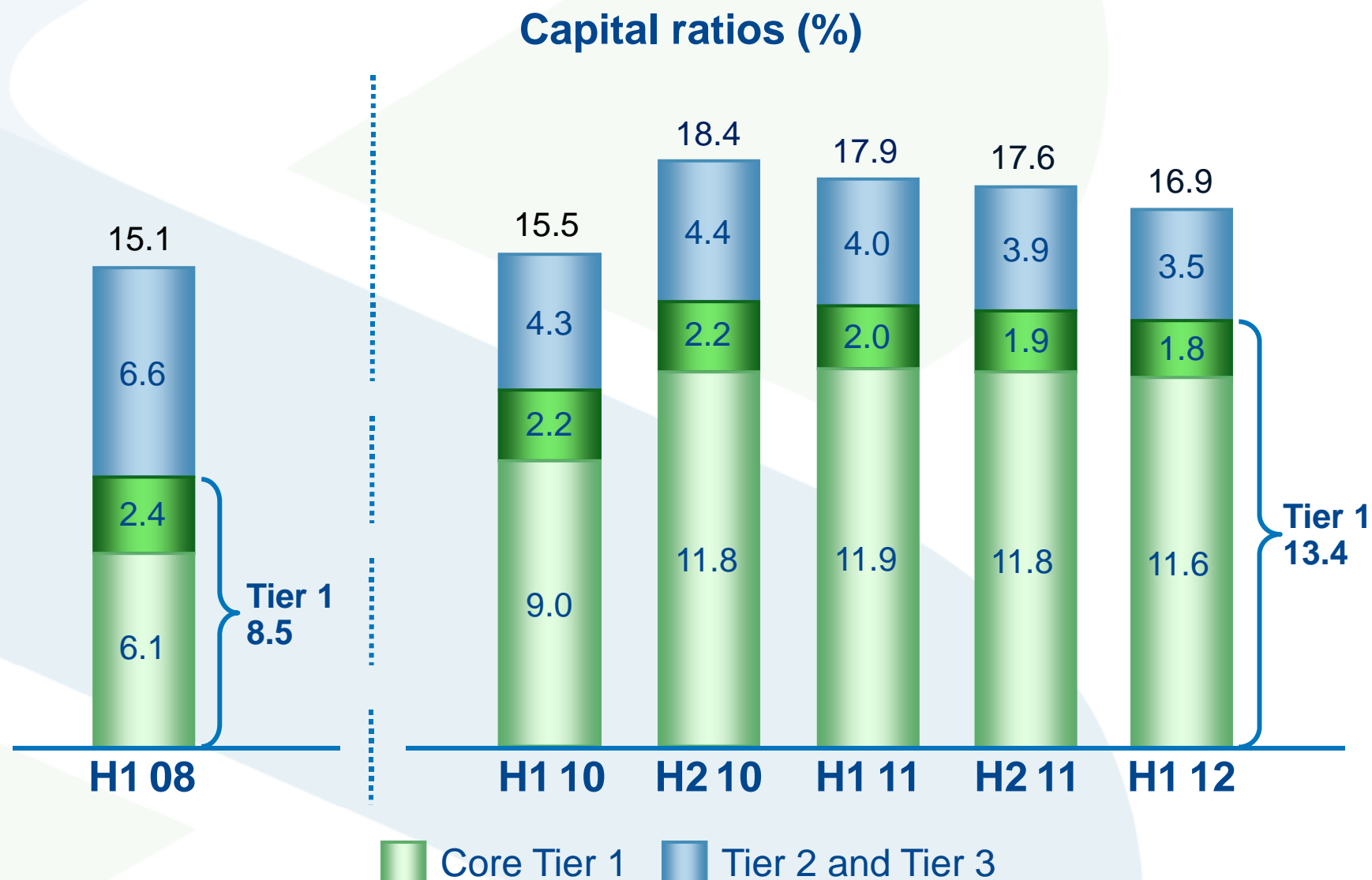
\*\* CASA - Current and savings accounts

## ...and a strong liquidity position

**Strong liquidity position and a low customer asset to deposit ratio have been maintained throughout the crisis**

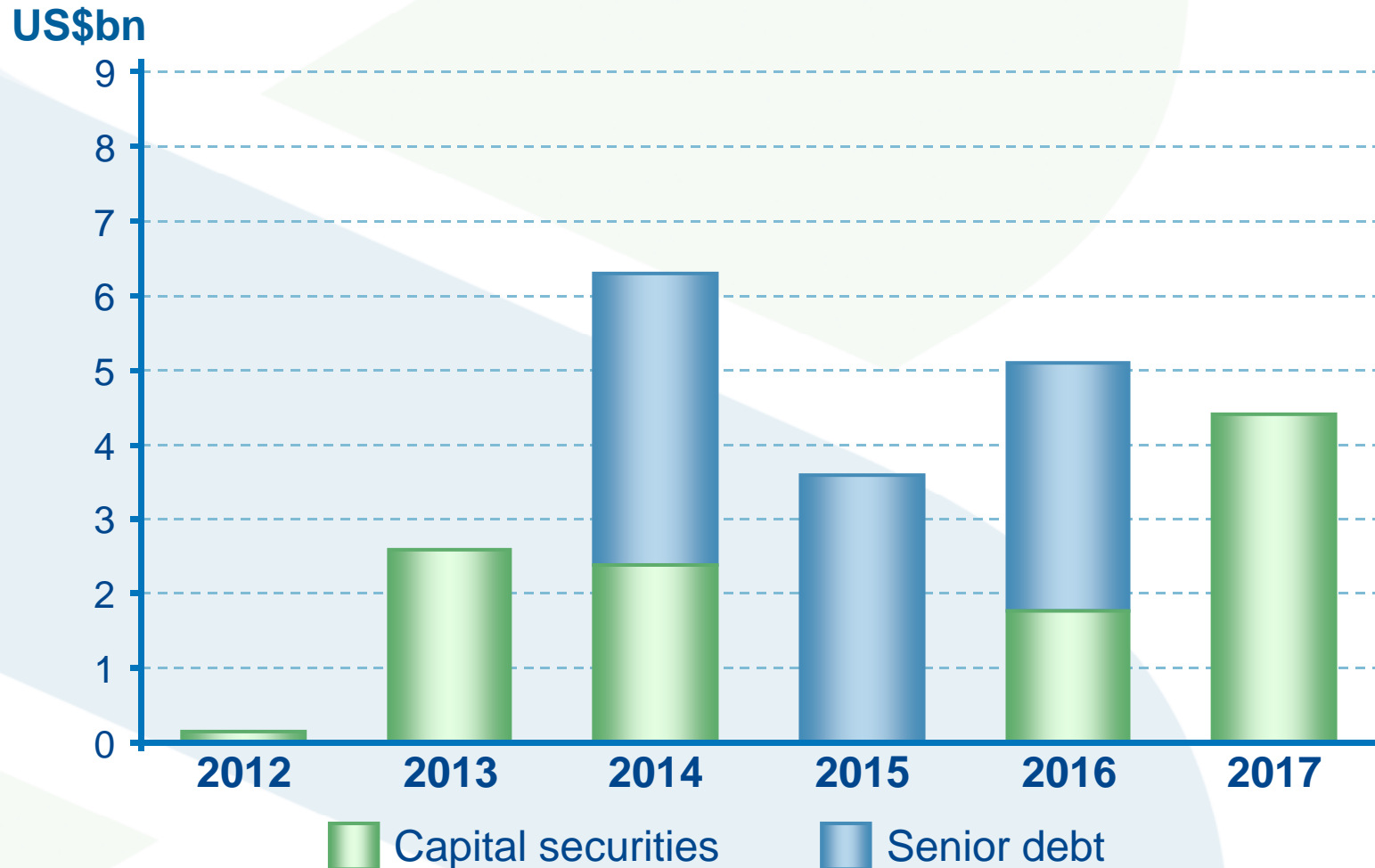


# Strong capital ratios





## Maturity profile of senior debt and capital securities



Notes: \* Capital refinancing has been modeled based on first call date

# Successful access to Debt Capital Markets

	2009	2010	2011	2012
US Dollar	Senior US\$1.5bn T1 US\$1.5bn	Senior US\$2.0bn LT2 US\$750m	Senior US\$2.25bn	LT2 US\$1bn LT2 US\$1.25bn
Euro	Senior EUR1.25bn	Senior EUR1.25bn	Senior EUR1.25bn	Senior EUR1bn
Sterling	Senior GBP200m <sup>1</sup>	Senior GBP90m		
Other	Senior SGD55m Senior HKD1.58bn LT2 KRW300bn	Senior HKD1.68bn Senior SGD220m Senior JPY22bn	LT2 SGD750m LT2 KRW 270bn Senior TWD 900m	Senior TWD 15bn
Total	<b>US\$5.4bn<sup>2</sup></b>	<b>US\$5.1bn<sup>2</sup></b>	<b>US\$4.7bn<sup>2</sup></b>	<b>US\$4.0bn<sup>2</sup></b>

Notes: <sup>1</sup> As part of Exchange of GBP284m LT2

<sup>2</sup> US\$ equivalent based on FX rates as at 30 June 2012

# Summary



- Unique footprint and exposure to diverse and fast-growing economies
- Sustained and consistent track record
- Foundations of the Group in excellent shape through our focus on the basics of banking